

**IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE
DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA
Plaintiff

v.

**MONEYGRAM INTERNATIONAL,
INC.,**
Defendant

Crim. No. 12-CR-00291

(J. Conner)

**JOINT NOTICE OF AMENDMENT TO AMENDMENT TO AND
EXTENSION OF DEFERRED PROSECUTION AGREEMENT**

The United States of America, by and through its attorneys of record, the United States Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the Middle District of Pennsylvania, and Defendant MoneyGram International, Inc., ("MoneyGram"), by and through its attorneys of record (collectively, "the Parties"), hereby provide notice to the Court of the following amendment to the Amendment to and Extension of Deferred Prosecution Agreement:

1. On November 9, 2012, the United States filed a Deferred Prosecution Agreement (the "DPA") that deferred prosecution of MoneyGram for five years on a two-count Criminal Information charging aiding and abetting wire fraud, 18 U.S.C. §§ 1343 and 2, and violation of the Bank Secrecy Act, 31 U.S.C. §§ 5318(h) and

5322. ECF No. 3. As part of the DPA, MoneyGram, among other things, waived its right to an indictment and all rights to a speedy trial, and admitted, accepted, and acknowledged that it was responsible for the acts charged in the two-count Information and Statement of Facts filed with the DPA.

2. On November 28, 2012, the Court held an initial appearance in the matter. At that proceeding, the Court accepted the deferral of prosecution during the term of the DPA. ECF No. 11.

3. On November 8, 2018, the Parties filed the Amendment to and Extension of Deferred Prosecution Agreement (the “Amendment”), which extended the term of the DPA continuing to defer prosecution of MoneyGram for aiding and abetting wire fraud and violation of the Bank Secrecy Act through May 10, 2021, and amended certain terms of the DPA. ECF No. 34, No. 34-1.

4. As part of the Amendment, MoneyGram admitted that weaknesses in its anti-money laundering and anti-fraud programs caused a substantial rise in consumer fraud transactions. ECF No. 34 ¶ 5. MoneyGram admitted that it processed at least \$125 million in additional consumer fraud transactions between April 2015 and October 2016 as a result of these failures. *Id.* MoneyGram further agreed to forfeit \$125 million, with \$70 million due within ten days after the Court issued the order excluding time under the Speedy Trial Act and \$55 million due within eighteen months of the execution of the Amendment. ECF No. 34-1 ¶ 11.

5. On November 9, 2018, the Court granted the Parties' joint motion to exclude time through May 10, 2021 pursuant to the Speedy Trial Act. ECF No. 35.

6. In November 2018, MoneyGram forfeited \$70 million pursuant to the Amendment.

7. MoneyGram has informed the United States that its circumstances have changed since entering into the Amendment and if it is required to make the final \$55 million payment without a further extension or reduction or without sufficient increases in cash flows or obtaining additional working capital, there could be a material adverse effect on the Company's business and financial conditions, among other things.

8. To allow the United States an opportunity to assess MoneyGram's representations regarding the changed circumstances, the United States has agreed to amend the Amendment to extend the deadline for MoneyGram to make its payment of \$55 million by six (6) months. The United States has made no determination regarding whether a further extension or reduction is warranted. The term of the DPA remains the same and all other terms remain in full force and effect.

9. WHEREFORE, based on all of the above, the Parties provide notice that they have agreed and stipulated to amend Paragraph 11 of the Amendment to and Extension of the Deferred Prosecution Agreement as follows: MoneyGram shall pay the remaining sum of \$55 million plus any associated transfer fees no later than November 8, 2020.

Respectfully submitted,

DAVID J. FREED
United States Attorney
Middle District of Pennsylvania

DEBORAH L. CONNOR
Chief, Money Laundering and
Asset Recovery Section
United States Department of Justice

/s/ Kim Douglas Daniel
KIM DOUGLAS DANIEL
Assistant U.S. Attorney

/s/ Margaret A. Moeser
MARGARET A. MOESER
Senior Trial Attorney

Attorneys for UNITED STATES OF AMERICA

/s/ Ephraim Wernick
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Attorneys for Defendant
MONEYGRAM INTERNATIONAL INC.

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UNITED STATES OF AMERICA

Plaintiff

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(J. Conner)

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OF DEFERRED PROSECUTION AGREEMENT**

MoneyGram International, Inc., (the “Company”) and the United States Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney’s Office for the Middle District of Pennsylvania (collectively the “Department”) hereby agree that the eleventh paragraph of the Amendment to and Extension of Deferred Prosecution Agreement is amended to read as follows:

11. The Company shall pay the sum of \$70 million plus any associated transfer fees within ten (10) business days after the date this Court grants the accompanying Order Tolling the Speedy Trial Act Pursuant to the Joint Motion to Amend and Extend the Deferred Prosecution Agreement, pursuant to payment instructions as directed by the Department in its sole discretion. The Company

shall pay the remaining sum of \$55 million plus any associated transfer fees within twenty-four (24) months of the date this Amendment is executed, no later than November 8, 2020, pursuant to payment instructions as directed by the Department in its sole discretion.

All other terms of the Deferred Prosecution Agreement and Amendment to and Extension of Deferred Prosecution Agreement remain in full force and effect through the end of the Extended Term.

AGREED:

FOR MONEYGRAM INTERNATIONAL, INC.:

Date: 2/24/20

By: [Signature]
W. Alexander Holmes
Chief Executive Officer
MoneyGram International, Inc.

Date: 2/24/20

By: [Signature]
Ephraim Wernick
Vinson & Elkins LLP

FOR THE DEPARTMENT OF JUSTICE:

DAVID J. FREED
United States Attorney
Middle District of Pennsylvania

[Signature]
KIM DOUGLAS DANIEL
Assistant U.S. Attorney

DEBORAH L. CONNOR
Chief, Money Laundering and
Asset Recovery Section
United States Department of Justice

[Signature]
MARGARET A. MOESER
Senior Trial Attorney

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v.)	(J. Conner)
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MONEYGRAM INTERNATIONAL, INC.)	(Filed Electronically)
)	

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he is an employee in the Office of the United States Attorney for the Middle District of Pennsylvania and is a person of such age and discretion as to be competent to serve papers. That on February 25, 2020, he served a copy of the attached

**JOINT NOTICE OF AMENDMENT TO AMENDMENT TO AND
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by ECF notification and United States mail, First Class to the address stated below:

Ephraim Wernick
VINSON & ELKINS, LLP
2200 Pennsylvania Avenue NW
Suite 500 West
Washington, DC 20037

Respectfully submitted,

DAVID J. FREED
United States Attorney

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Dated: February 25, 2020